

RESOURCE MANAGEMENT
STATE PROPERTY MANAGEMENT

1.0 GENERAL

This directive applies to all elements of the Department of Emergency and Military Affairs (DEMA) that receive and account for state property.

2.0 SCOPE

This directive is to give guidance regarding the management of all state property to include initial acquisition, inventory, security, transfer, theft, loss, damage and turn in.

3.0 AUTHORITIES

- a. Arizona Revised Statute (ARS) 26, Article 5, and ARS 41-712.C (as it applies to federal property managed by a state employee).
- b. State of Arizona Procurement Rules and Regulations, Article 8
- c. State of Arizona Accounting Manual, Sec II, page G1-G5
- d. State of Arizona Personnel Rules, R2-5-501.
- e. State of Arizona Surplus Property Management Office State Property Disposal Manual
- f. DEMA Information Resource Management Plan
- g. DEMA Loss Control Plan
- h. DEMA Procurement Pamphlet 70-20-4

4.0 RESPONSIBILITY

4.1 The Adjutant General

The Adjutant General has overall responsibility for all state property within the Department of Emergency and Military Affairs. The Adjutant General has appointed the Resource Manager (DEMA/JP-R) the responsibility to ensure the proper care and disposal of the department's state property.

4.2 Resource Manager (DEMA/JP-R)

The Resource Manager has overall responsibility for all state property within the Department of Emergency and Military Affairs. This responsibility includes development and execution of department policy; the appointment of a DEMA State Property Manager; and overall accountability for state property.

4.3 DEMA State Property Manager (DEMA/JP-R)

The DEMA State Property Manager is responsible for the total inventory of DEMA assets. In addition he/she is the primary advisor to the department on state property accountability issues. All property disposal actions are the responsibility of the DEMA State Property Manager.

4.4 Holder of State Property

Supervisors of activities that use state property (civilian or military) will appoint an employee to be responsible for such state property. Any employee who has responsibility for state property is responsible for the safekeeping, proper use, accounting and proper disposition of all state property under his/her care. The appointed employee is termed a Property Holder hereafter. The Property Holder signs all hand receipt, inventory and turn-in documentation for the property under his/her control.

5.0 DEFINITION OF TERMS

DURABLE PROPERTY - Property that is able to withstand wear or tear and is not currently listed on the agency's capital inventory.

EXCESS PROPERTY - Any property which has a remaining useful life but which is no longer required by the using agency in possession of the materials.

EXPENDABLE PROPERTY - Any supplies, materials or items of equipment that:

- a. Have a useful life of one year or less.
- b. Are totally consumed in use.
- c. Lose their identity when used or attached to other units.

- d. Are more economically replaced than repaired.
- e. Have a nature that makes formal accountability impractical.

MATERIALS - All property, including equipment, supplies, printing, insurance and leases of personal property but does not include real property, a permanent interest in real property or leasing space.

NON-EXPENDABLE PROPERTY - All tangible materials that have an original acquisition cost over \$1,000 and has a probable useful life of more than one year or longer. Non-expendable property is capable of being moved from one place to another and usually has a useful life of temporary duration as compared to real property.

PROGRAM MANAGER - An individual responsible for the management of state funds.

PROPERTY HOLDER - Any individual delegated by a supervisory authority to be responsible for state property.

SALVAGE - Property that is worn, damaged, deteriorated, in an incomplete condition, or of a specialized nature that has no reasonable prospect of sale or use, but retains some value in excess of its basic material content. Repairs required to make such property useable are estimated to cost in excess of 65% of original cost.

SUPERVISOR - Any person who has authority over state personnel (civilian or military).

SURPLUS PROPERTY - Any property that no longer has any use to this department or, by agreement with the United States Property and Fiscal Office (USPFO), property acquired from the United States government. This includes obsolete property, scrap materials and non-expendable property that has completed its life cycle.

6.0 NON-NEXPENDABLE PROPERTY

6.1 New Acquisitions

6.1.1 Receipt

The DEMA State Property Manager may delegate tagging procedures as needed. When the tagging procedure is delegated to the Property Holder, he/she handles all documentation requirements. Property installed to buildings or land should not be tagged. Installed property increases the value of the land or building and is accounted for separately.

6.1.2 Accountable Inventory

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Items over \$5,000 will be tagged regardless of location or type. Items over \$1,000 will be tagged to include items listed in 6.1.3. The items over \$1,000 will be maintained on a separate DEMA agency listing. Those items over \$5,000 will be maintained on the DEMA agency listing and they will be recorded on the ADOA AFIS statewide fixed asset listing. All other items that are \$999.99 and under will be tagged only if the tagging is necessary for theft prevention or to distinguish state from federal property. Account Holders are recommended to use a handreceipt system to maintain accountability of non-recorded items they feel it necessary to exercise control over.

6.1.3 Sensitive Items Tagged Regardless of Cost

Vehicles	Hand Held Radios
Weapons	Cell Phones
Computers and Software	Electronic Equipment (i.e. TVs, VCRs, Cameras, GPS, etc.)

6.1.4 Weapons Management

Weapons will be inventoried and hand receipted following the US Army accountability system. Weapons will be visually counted monthly and serial number inventoried quarterly. Copies of the quarterly reports will be forward to the DEMA State Property Manager. Any damaged, lost or stolen weapon will be reported to the DEMA State Property Manager within 24 hours of discovery of loss or theft. A police report will be filed, an Arizona Department of Administration Risk Management Section Property Loss Report will be completed, an internal investigation of the circumstances will be conducted immediately, and a detailed report will be completed. These reports will be forwarded to the DEMA State Property Manager within five working days after discovery of damage, loss or theft. The State Property Manager will notify the POMSO Office and the Director of Joint Programs, who will inform the Adjutant General within 24 hours of discovery of the damage, loss or theft. **DAMAGE WILL BE REPORTED ONLY IF THE CAUSE IS CONSIDERED INTENTIONAL OR MALICIOUS AND NOT FAIR WEAR AND TEAR.**

6.1.5 Vehicle Management

All titles for vehicles owned by the Department will be maintained by the DEMA State Property Manager, with the exception of Camp Navajo. Camp Navajo will maintain their own titles and forward a copy of the title to the DEMA State Property Manager.

All DEMA-owned vehicles will carry the Arizona Department of Administration Risk Management Section Automobile Loss Report. The report is to be filled out should any vehicle accident or damage occur to the DEMA-owned vehicle. Complete three copies of these reports. Submit the original report along with the police report to the DEMA State Administrative Services Office (DEMA/JP-P). The second copy, including a copy of the

police report, is to be submitted to the DEMA State Property Manager. The Property Holder retains a file copy. Only through this procedure will this agency receive any monies for claims made regarding the incident. A courtesy copy of any accidents involving federal vehicles should be forward to the State Safety Office (AZAA#1 State Safety). Any injuries involving state personnel will be reported as an Industrial Claim through the DEMA State Human Resources Office (DEMA/JP-P).

ADOA Fleet Management has a requirement to report certain information regarding all state agency-owned vehicles. This is a statewide requirement. All Property Holders will complete the report by not later than 30 June of each State fiscal year, which begins 1 July. The DEMA State Property Manager will ensure that each Property Holder receives a disk containing the spreadsheet for the required data. The DEMA State Property Manager will ensure that the report is submitted to ADOA Fleet Management.

6.1.6 Computer Hardware/Software Management

The use of computer equipment, software and ancillary items by employees (federal and state) of this agency will be governed by the provisions of DEMA Policy Letters 10.12 and 10.13.

When it is determined that a computer system is no longer of use to DEMA, turn-in procedures should be followed. One additional step is required prior to turn in of the property to the DEMA State Property Manager. All data on the hard drive must be wiped clean to insure State and Federal Privacy Act and security compliance.

6.1.7 Inventory Management

The following information will be maintained in the permanent DEMA state property data system:

- a. Document Number (assigned by DEMA Property Manager or designated Property Holder)
- b. Current Date
- c. DEMA Tag Number
- d. Description (including manufacture model number and serial number)
- e. Location
- f. Fund Source (if different than General Fund)

- g. Cost (actual plus tax and ancillary costs, i.e. shipping, etc.)
- h. Acquisition Date

Purchase Order Number (DEMA - 5/Property Disposal (SP101)). For items that are part of the exception category that are purchased with a State Credit Card, the vendor name, receipt number and date of purchase will be included.

- j. Vendor Name, phone number and invoice number for maintenance reference where warranties or service agreements are involved.

6.1.8 State Credit Card Purchases

The dollar limit for all state credit card purchases is less than \$1,000.00. See Item 6.1.3 for a list of sensitive items that need to be tagged and recorded. The receipt number and date of purchase must accompany the DEMA-025 in order that the data for the item can be entered accurately into the DEMA property database.

6.2 Issuance of State Property

6.2.1 Issuance of New Property

New property will be issued only after the information in paragraph 6.1.6 has been entered into the DEMA property data system and the item has been properly tagged in accordance with established procedure; either by affixing the tag to the item or by etching, painting or otherwise permanently marking the item.

6.2.2 Transfer of Property Between Property Holders

State property may be transferred between property holders only when the DEMA State Property Manager is notified and both parties agree to the transaction. The DEMA State Property Manager will coordinate such transfers. A copy of the Issuance/Transfer Form, DEMA 025, will be issued to both parties and the original kept on file with the DEMA State Property Manager in order to update the DEMA data system.

6.2.3 Expendable Property

Expendable property will be hand receipted to individual users where appropriate.

6.3 Care of State Property

6.3. Responsibility

All state property is to be protected against loss, theft or damage. Prudent care of all state property is the responsibility of the Property Holder. ARS 41-770, A.14 states that any state employee may be dismissed for "Misuse or unauthorized use of state property." The ADOA Personnel Rules and the DEMA Personnel Rules mirror the statute.

6.3.2 Reporting Losses

Should loss, damage or theft occur, a memorandum, along with any police reports and individual statements, must be forwarded to DEMA State Property Manager (DEMA/JP-R) within ten working days of discovery of such loss, damage or theft. The DEMA State Property Manager will coordinate the final determination of property loss accountability. For the Department to receive any monies regarding the loss, damage or theft of DEMA-owned property, an Arizona Department of Administration Risk Management Section Property Loss Report must be filed through DEMA State Human Resources Office (DEMA/JP-P). No claims or reimbursements will be honored without this report. Vehicle damage, loss or theft is reported on Arizona Department of Administration Risk Management Section Automobile Loss Report. Any injuries related to the loss will be reported as an Industrial Injury Claim and also filed through the DEMA State Human Resources Office (DEMA/JP-P)

The DEMA State Property Manager must report the loss to the State Surplus Property

Management Office by using a SP-101. The report will contain all documentation sent by the property holder. Only when an approved SP-101 is returned by State Surplus Property can the item be removed from inventory.

6.4 Turn-in of State Property

6.4. The Surplus Property Management Office (DOA)

The Department of Administration Surplus Property Management Office is responsible for the disposition of all excess, salvage and surplus property for the State of Arizona as designated under Title 2, Chapter 15, Article 3 of the Arizona Administrative Code. In the Department of Emergency and Military Affairs property is turned in by the Property Holder to the DEMA State Property Manager who in turn either finds a use for the property somewhere else in the agency or who turns it in to DOA Surplus Property Management for final disposition. DOA SPMO gives the DEMA State Property Manager the permission to remove the item from the agency inventory.

Property turn-in procedures are as follows

- a. Identify items that are excess or damaged through fair, wear and tear, both expendable and non-expendable.

- b. Send a memorandum to the DEMA State Property Manager requesting the items be turned in and removed from the Property Holder inventory.
- c. The DEMA State Property Manager will complete a SP 101 and forward it to SPMO for processing. SPMO will inform the DEMA State Property Manager when the excess property can be physically turned in to SPMO, located at 1537 W. Jackson St., Phoenix, AZ 85007.
- d. Once notified by SPMO with the turn in date, the DEMA State Property Manager will call the Property Holder and make arrangements to turn in the excess property.
- e. After turn in, SPMO will forward finalized SP 101 documents to the DEMA State Property Manager for file.
- f. The DEMA State Property Manager will then remove the items from the department inventory listing.
- g. Property that is considered lost, stolen or damaged will be processed through SPMO and ADOA Risk Management. The only added stop is the completion of the SP 102 form that is generated by SPMO. This form requires three signatures before SPMO and Risk Management will allow the item to be removed from inventory. For reporting lost, stolen or damaged property see Sections 6.3, 7.0 and 8.0.

6.4.2 DEMA State Property Manager

The DEMA State Property Manager will follow disposal procedures as outlined in the State Property Disposal Manual from the ADOA State Surplus Property Management Office in accordance with ARS 41-2601 through 41-2607.

7.0 EXPENDABLE PROPERTY

7.1 Care of Expendable Property

Expendable property by its very nature does not require the same accountability that applies to non-expendable property. The guidelines that apply to the proper care of non-expendable property apply to expendable property: All state property is to be protected against loss, theft or damage. Prudent care of all state property is the responsibility of the user. The Commander/Program Manager/Property Holder will determine items most susceptible to pilferage and institute a handreceipt system where appropriate to guard against loss.

7.2 Inventory of Expendable Property

Supervisors will establish procedures to identify, control and inventory expendable items. This system will preclude the tendency to "buy new items" simply because the expendable items were not properly accounted for. The DEMA State Property Manager will assist in developing a workable accountability system. (Note: Existing Army or Air Force accountability systems may be adapted where appropriate).

7.3 Disposal/Turn-in of Expendable Items

Only the DEMA State Property Manager has authority to turn in property for disposal by Surplus Property Management Office (ADOA). The Surplus Property Management Office is the only agency in the state of Arizona that has the authority to dispose of state property. This includes expendable as well as durable property. There is no exception.

8.0 INVENTORIES

8.1 Change of Property Holder

When a change of property holder occurs, a complete physical inventory must be conducted in conjunction with the DEMA State Property Manager (DEMA/JP-R) within thirty days of the effective date of transfer. The outgoing Property Holder will coordinate with the DEMA State Property Manager to facilitate a smooth transfer of property accountability to the incoming Property Holder. For inventory procedures see Section 8.2.

8.2 Physical Inventories

A complete physical inventory of all items on hand receipt will be completed in conjunction with the DEMA State Property Manager once each state fiscal year, i.e., 1 July to 30 June. The inventory is mandated by the Arizona Accounting Manual, Section IIG, Fixed Assets. A printout of all fixed assets on the property handreceipt will be provided by the DEMA State Property Manager to aid in the inventory process.

The following procedures will be followed while conducting a physical inventory:

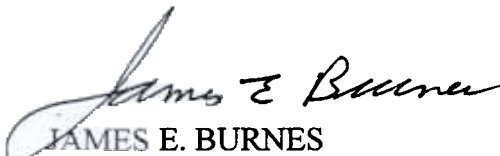
- a. The DEMA State Property Manager will provide an itemized property listing to the Property Holder.
- b. The Property Holder will verify all items listed on the itemized property listing.
- c. Items that are considered excess and need to be turned in should be reported to the DEMA State Property Manager on a memorandum listing the item by DEMA Tag Number, serial number and model. Fair wear and tear damaged items should be considered as excess property.

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- d. Items that are damaged, stolen or lost should be reported to the DEMA State Property Manager using a separate memorandum for each category. For example, if three or four items are maliciously damaged, explain the circumstances causing the damage. Include statements from witnesses and the individual causing the damage. An example of malicious damage would be watching an individual angrily kicking a file cabinet. For items that are lost or stolen follow the procedures outlined in Section 6.3.2 bearing in mind the ramification of Section 6.3.1. The department will not tolerate intentional damage, loss or theft.
- e. Once all items have been verified, or reported as excess, damaged, lost or stolen, sign the inventory in the appropriate place and forward the original to the DEMA State Property Manager.
- f. The DEMA State Property Manager will update the DEMA property inventory and follow-up where action is required.

BY ORDER OF THE GOVERNOR

THE ADJUTANT GENERAL



JAMES E. BURNES
Resource Manager